

Ratio Study Narrative 2022

General Information	
County Name	POSEY COUNTY

Person Performing Ratio Study			
Name	Phone Number	Email	Vendor Name (if applicable)
JON LAWSON	(812) 890-8323	jon.lawson@tylertech.com	Tyler Technologies

Sales Window	1/1/2021 to 12/31/2021
If more than one year of sales were used, was a time adjustment applied?	If no, please explain. Only sales during the above time frame were included. Sales from 2020 and 2021 were also looked at to confirm the increases that have been made this year. Those sales were adjusting for time with an appreciation rate of .8740% a month. This represents approximately 10.49% a year, which was established through resale analysis. While we did pull in sales from 2019 and 2020 to confirm the increases that were made this year, we felt that only the 2021 sales needed to be included.
	If yes, please explain the method used to calculate the adjustment.

Groupings
<p>Please provide a list of townships and/or major class groupings (if any). Additionally, please provide information detailing how the townships and/or major classes are similar in the market.</p> <p>**Please note that groupings made for the sole purpose of combining due to a lack of sales with no similarities will not be accepted by the Department**</p>
<p><u>Residential Improved</u></p> <p>Bethel, Point, and Smith Townships were combined for analysis. These townships were grouped together because they share similar economic factors within these areas. They are primarily rural non-densely populated areas that are mostly un-platted residential / agricultural land and there is marginal development going on throughout these townships.</p>

Geographically these townships are the west part of the County. Black, Center, Harmony, Lynn, Marrs, Robinson, and Robb Township were not grouped with any other townships.

Residential Vacant

Bethel, Center, Harmony, Lynn, Point, Robb, and Smith Townships were grouped together. These Townships were grouped together since they are all comparable within the county in this class because they share similar economic factors. This is a rural, non-densely populated area with very minimal vacant land sales and within each township vacant land makes up 20-25% of the residential parcels. Black, Marrs, and Robinson Township were grouped together as these are more comparable in the current market. They share a similar economic factor in that they are thriving markets with primarily all the new construction. Most new development in the county occurs in these townships.

Commercial Improved & Vacant

Bethel, Center, Harmony, Lynn, Marrs, Point, Robb, Robinson, and Smith Townships were grouped together. These townships were grouped together when developing trend factors since the construction types and sizes of these properties are very similar. In regards to commercial and industrial, these townships have minimal development and are primarily rural areas. We have adjusted building factors within Commercial neighborhoods that bring us closer to a market value. There are very few Commercial and Industrial vacant land sales due to the fact that most of the land for sale in Posey County is in row crop. With an insufficient number of valid land sale, there was a lack of market information to have a separate commercial and/or industrial vacant study of its own. For this reason, we did group the Commercial/Industrial Improved and vacant sales into one study group. Black township, which contain the City of Mt. Vernon, had enough sales to stand on its own.

AV Increases/Decreases

If applicable, please list any townships within the major property classes that either increased or decreased by more than 10% in total AV from the previous year. Additionally, please provide a reason why this occurred.

Property Type	Townships Impacted	Explanation
Commercial Improved	BLACK TOWNSHIP HARMONY TOWNSHIP LYNN TOWNSHIP MARRS TOWNSHIP	65-15-03-140-004.000-018, 65-16-12-400-033.000-017, 65-16-14-100-016.007-017, and 65-15-05-200-003.000-017 had new construction added which accounts for ~\$1,870,000 of the increase. Excluding these parcels, the overall increase is about 8%. This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables. Increase is due to review changes. There is only (1) parcel in this section so any change appears significant. 65-14-02-400-052.006-019 and 65-14-12-700-056.000-019 account for \$1,402,000 of the increase. Excluding these parcels, the overall increase is about 4%.

	<p>POINT TOWNSHIP</p> <p>ROBB TOWNSHIP</p> <p>SMITH TOWNSHIP</p>	<p>Increase is due to review changes. There is only (3) parcel in this section, so any change appears significant (~\$3,100 on average). (6) parcels account for ~\$650,000 of the increase. Excluding those parcels, the overall increase is about 15%. This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p> <p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>
Commercial Vacant	<p>BLACK TOWNSHIP</p> <p>CENTER TOWNSHIP</p> <p>HARMONY TOWNSHIP</p> <p>ROBB TOWNSHIP</p> <p>SMITH TOWNSHIP</p>	<p>(6) parcels account for ~\$91,000 of the increase. Excluding those parcels, the overall increase is about 16%. This is due to increased land rates this year from the land review.</p> <p>65-06-08-301-032.000-005 accounts for \$12,000 of the decrease. Excluding this parcel, the overall increase is about 3%.</p> <p>75% is the average change (~\$2,200 on average). While the percentage is high, the actual dollar amount is minimal, so any change seems significant. This was due to a land rate change from the land review to establish more consistent land to building ratios.</p> <p>100% is the average change for this category and township (~\$5,900 on average). While the percentage is high, the actual dollar amount is minimal, so any change seems significant. This was due to a land rate change from the land review to establish more consistent land to building ratios.</p> <p>Parcel 65-22-11-413-035.000-015 accounts for ~\$4,600 of the increase. Excluding this parcel, the overall increase is about 5%.</p>
Industrial Improved	<p>BLACK TOWNSHIP</p> <p>HARMONY TOWNSHIP</p>	<p>Parcel 65-02-06-000-111.000-017 is Sabic. and accounts for ~\$ 19,200,900 of the increase. This is due to combining several parcels together during the review of this facility this year. Excluding this parcel, the overall increase is about 3%.</p> <p>This is due to 65-07-04-200-001.000-006 being changed from ResImp to IndImp.</p>

	<p>LYNN TOWNSHIP</p> <p>POINT TOWNSHIP</p> <p>ROBB TOWNSHIP</p> <p>ROBINSON TOWNSHIP</p> <p>SMITH TOWNSHIP</p>	<p>This was in the review area and is due to 65-07-04-200-001.000-006 having land type classification changes during the review.</p> <p>There is (2) parcels. This is due to adjusting the market adjustment factors after the implementation of the new cost tables.</p> <p>Parcel 65-23-19-200-067.000-012 having land classification changes and 65-05-18-100-005.003-011 having significant renovations. Excluding these parcels, the overall increase is about 2%.</p> <p>Parcel 65-06-01-100-028.001-016 had new construction added. Excluding this parcel, the overall increase is about 2%.</p> <p>There is (3) parcels. This is due to adjusting the market adjustment factors after the implementation of the new cost tables.</p>
Industrial Vacant	BETHEL TOWNSHIP	<p>There is (4) parcels and 24% is the average change for this category (~\$3,700 on average). While the percentage is high, the actual dollar amount is minimal, so any change seems significant. This was in the review area and is due to a land rate change from the land review.</p>
Residential Improved	<p>BETHEL TOWNSHIP</p> <p>BLACK TOWNSHIP</p> <p>CENTER TOWNSHIP</p> <p>HARMONY TOWNSHIP</p>	<p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p> <p>There is (17) parcels that have either change classification or are new parcels this year that account for ~\$3,111,000 of the increase. Excluding these parcels, the overall increase is about 14%. This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p> <p>There is (1) parcels that has changed classification this year that accounts for ~\$350,300 of the increase. Excluding this parcel, the overall increase is about 14%. This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p> <p>There is (1) parcel that has changed classification this year that accounts for</p>

		<p>~\$62,900 of the increase. Excluding this parcel, the overall increase is about 16%. This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>
	LYNN TOWNSHIP	<p>There is (6) parcels that have changed classification this year that account for ~\$785,100 of the increase. Excluding these parcels, the overall increase is about 16%. This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>
	MARRS TOWNSHIP	<p>There is (11) parcels that have either change classification or are new parcels this year that account for ~\$4,325,500 of the increase. Excluding these parcels, the overall increase is about 14%. This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>
	POINT TOWNSHIP	<p>There is (1) parcel that has changed classification this year that accounts for ~\$130,300 of the increase. Excluding this parcel, the overall increase is about 15%. This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>
	ROBB TOWNSHIP	<p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>
	ROBINSON TOWNSHIP	<p>There is (2) parcels that have changed classification this year that accounts for ~\$611,000 of the increase. Excluding these parcels, the overall increase is about 15%. This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>
	SMITH TOWNSHIP	<p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>

Residential Vacant	BETHEL TOWNSHIP	There is (3) parcels that have changed classification or are new parcels this year that accounts for ~\$32,700 of the increase. Excluding these parcels, the overall increase is about 76% (~\$3,200/parcel). This is due to increased land rates this year from the land review.
	BLACK TOWNSHIP	There is (16) parcels that have changed classification or are new parcels this year that accounts for ~\$334,100 of the increase. Excluding these parcels, the overall increase is about 25%. This is due to increased land rates this year from the land review that establish more consistent land to building ratios.
	HARMONY TOWNSHIP	There is (5) parcels that have changed classification or are new parcels this year that accounts for ~\$91,800 of the increase. Excluding these parcels, the overall increase is about 6%.
	LYNN TOWNSHIP	There is (7) parcels that have changed classification or are new parcels this year that accounts for ~\$95,900 of the increase. Excluding these parcels, the overall increase is about 86% (~\$4,300/parcel). This is due to increased land rates this year from the land review that establish more consistent land to building ratios.
	MARRS TOWNSHIP	There is (10) parcels that have changed classification or are new parcels this year that accounts for ~\$248,100 of the increase. Excluding these parcels, the overall increase is about 6%.
	POINT TOWNSHIP	There is (4) parcels that have changed classification or are new parcels this year that accounts for ~\$246,200 of the increase. Excluding these parcels, the overall increase is about 4%.
	ROBB TOWNSHIP	There is (2) parcels that have changed classification or are new parcels this year that accounts for ~\$19,500 of the increase. Excluding these parcels, the overall increase is about 19%. This is due to increased land rates this year from the land review that establish more consistent land to building ratios.

	ROBINSON TOWNSHIP	There is (6) parcels that have changed classification or are new parcels this year that accounts for ~\$88,600 of the increase. Excluding these parcels, the overall increase is about 8%.
	SMITH TOWNSHIP	There is (3) parcels that have changed classification or are new parcels this year that accounts for ~\$15,100 of the increase. Excluding these parcels, the overall increase is about 34% (~\$1,800/parcel). This is due to increased land rates this year from the land review that establish more consistent land to building ratios. Cynthiana Town was in the review area this year and this is primarily where the increase is occurring.

Cyclical Reassessment
Please explain which townships were reviewed as part of the current phase of the cyclical reassessment.
We reviewed within Bethel Township, Black Township, Lynn Township, and Smith Township. More specifically the taxing district of Bethel Township, Griffin Town, Black Township, Lynn Township, and Cynthiana Town, which you will see reflected in the workbook.

Was the land order completed for the current cyclical reassessment phase?
Yes.

Comments
In this space, please provide any additional information you would like to provide the Department in order to help facilitate the approval of the ratio study. Such items could be standard operating procedures for certain assessment practices (e.g., effective age changes), a timeline of changes made by the assessor’s office, or any other information deemed pertinent.
<p>Overall, we noticed a good increase in assessed value within Posey County. Resale analysis indicated a 10.49% annual appreciation rate, which we feel is not aggressive for 2021. This appreciation rate, compounded with a collective effort to make as conservative adjustments as possible in 2020 to acknowledge the effects of the pandemic, the 2021 adjustments needed to achieve our statistical obligations were higher than in years past.</p> <p>We do recognize that there is a significant number of parcels increasing 10% or more. With exception to industrial properties, there was an overall change that exceeded the 10% ceiling. The typical increase for Agricultural was about 15%, but this did vary by Township. Typical change for Residential properties was about 13%, but this did vary by Township. For agricultural and residential improved this was due to neighborhood factors being increased</p>

due to market activity combined with the implementation of land rate changes. All neighborhoods that have increased 10% or more on average we looked at the percent of representation and confirmed that there was sufficient market activity to substantiate the increase in assessed value. Commercial change was about 15%, but this did vary by Township. The typical increase for Industrial properties was about 7%, but this did vary by Township. Due to so many areas showing up, a detailed explanation, is also included separately and is called Posey County Large Change Explanations.

The 2022 Cost table updates were applied. The base year for depreciation was updated to 1/1/2022. The updated 2022 Agricultural land rate of \$1,500 was applied. The updated 2022 Classified land rate of \$16.43 was applied. While not applicable, the 2022 Solar land rate of \$5,250 that applies to the South District was setup (this is 60% lower than the rate utilized by the rest of the state). The updated golf course cap rate of 11.03% was used.

For all properties, both outside and within our review areas, we applied factor adjustments and land rate adjustments where necessary to meet IAAO standards. Any areas that did not have a fair representation of sales were combined with an adjoining area of similar economic factors so that we could draw a more definitive representation of the market.